

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

EXPERIMENTAL PRESORTED PRIORITY  
MAIL RATE CATEGORIES, 2001

Docket No. MC2001-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF  
THE OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS-T1-25)

*The United States Postal Service hereby provides its response to the following interrogatory of the Office of the Consumer Advocate: OCA/USPS-T1-25 (filed on April 27, 2001). The interrogatory has been redirected from witness Scherer to the Postal Service for response.*

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
Michael T. Tidwell

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May 4, 2001

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**OCA/USPS-T1-25.**

Please refer to your testimony at page 2, lines 18-20, and page 3, line 1.

- a. Please confirm that some Priority Mail pieces are "letters" as that term is defined at 39 C.F.R. §310.1(a). If you do not confirm, please explain.
- b. Please confirm that the discounts proposed in this docket will be available for "letters" and non-"letters." If you do not confirm, please explain.
- c. Please confirm that an "extremely urgent letter" may be carried outside the mail without paying postage under certain circumstances described at 39 C.F.R. §320.6(a)-(c). If you do not confirm, please explain.
- d. Please confirm that according to 39 C.F.R. §320.6(a)-(c), a one-pound "letter" delivered outside the mail in more than 24 hours would not be considered extremely urgent unless the carrier charged at least \$7.00. If you do not confirm, please explain.
- e. Please explain how a discount from a \$3.50 rate would discourage mailers of one-pound pieces from using a different carrier and paying \$7.00 per piece.
- f. Please confirm that the Postal Service could eliminate competition for Priority Mail "letters" by amending 39 C.F.R. §320.6(a)-(c). If you do not confirm, please explain.
- g. What proportion of ADP's Priority Mail volume consists of "letters"?
- h. Please confirm that ADP would have to pay at least \$7.00 per piece to send its Priority Mail "letters" outside the mail. If you do not confirm, please explain.

**RESPONSE:**

The relationship between these questions and the cited testimony is not apparent.

- a. Confirmed.
- b. As with current rates, the proposed rates will be available to all matter mailed as Priority Mail.
- c. The Postal Service has established a suspension from the general postage payment requirements for privately carried letters in the Private Express Statutes for "extremely urgent" letters. See 39 C.F.R. section 320.6.

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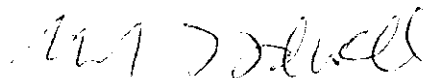
- d. Confirmed, that under section 320.6, a privately carried one-pound letter would be presumed "extremely urgent" if the price paid for its carriage was at least twice the applicable \$3.50 Priority Mail postage.
  
- e. The question refers to mail "pieces," not letters. The terms of section 320.6 only affect privately carried letters, not the relatively infinite variety of other one-pound matter that a sender might pay a Priority Mail competitor to deliver. Thus, for the bulk mailers of the infinite variety of one-pound non-letter matter (the private carriage of which is not subject to section 320.6), it seems that a discounted Priority Mail presort rate could be viewed as more attractive than the current Priority Mail \$3.50 rate or the rates that a competitor would charge to deliver the same matter. There are, of course, considerations other than cost that affect choice of delivery service. As for whether Priority Mail presort discounts will affect whether bulk Priority Mail letter senders opt for the services of Priority Mail competitors (whose prices for letter carriage are affected by section 320.6), the answer would seem to depend on the degree to which considerations other than price come into play.
  
- f. Suspensions of the Private Express are enacted on the basis of considerations of the public interest. See 39 U.S.C. section 601(b). The Postal Service could only "eliminate competition for Priority Mail 'letters'" if it could justify that doing so was in the public interest.

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- g. The Postal Service has not conducted an inspection or legal analysis of ADP's mail that would permit a precise quantification of the degree to which such matter constitutes "letters," as defined by 39 C.F.R. section 310.1(a). First-Class Mail and Priority Mail are sealed against inspection. The Postal Service is otherwise aware that some of the matter processed by ADP falls within that definition.
- h. Confirmed, assuming the private carriage otherwise could not qualify for any of the Private Express exceptions or the other suspensions.

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

A handwritten signature in cursive script, appearing to read "Michael T. Tidwell", is written over a horizontal line.

Michael T. Tidwell

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